

## INTENTION TO SPIN OUT GOLD ASSETS

- **FerrAus intends to spin-out gold and base metal tenements into newly incorporated Lawson Gold**
- **Lawson Gold intends to raise funds by way of an IPO and list on the ASX**
- **FerrAus intends to provide shareholders with a priority allocation in the IPO**

### Spin-Out

The Directors of FerrAus Limited (ASX: FRS) are pleased to announce their intention to spin-out the Lawson Gold Project (the Project), formerly the Silver Swan North Project, into a newly formed subsidiary company, Lawson Gold Limited (Lawson Gold). As part of the spin-out, Lawson Gold intends to conduct an Initial Public Offering (IPO) through the issue of new shares in Lawson Gold and seek a listing on the Australian Securities Exchange (ASX).

The Project, which is currently comprised of four mining licences and an exploration licence, is located in the Kanowna Greenstone Belt approximately 45 kilometres north east of Kalgoorlie in Western Australia.

Although previous exploration efforts at the Project have focussed predominantly on nickel, the Directors of FerrAus consider that these tenements are prospective for gold mineralisation of the style found at Kanowna Belle (see FerrAus ASX announcement of 2 July 2009).

Following further work on the Project by FerrAus, a number of potential gold targets have been identified and a work programme has been developed to test these targets.

While the spin-out is subject to market conditions and other factors, it is expected that a prospectus containing full details of the IPO will be made available in the near future.

Anyone wishing to acquire new shares in Lawson Gold will need to complete the application form that will accompany the prospectus.

Successful completion of the spin-out will allow FerrAus to focus on its core FerrAus Pilbara Project in Western Australia, where a pre-feasibility study has commenced after positive scoping study results indicated the strong potential economic viability of that project.

### Priority Allocation

Presently, it is the intention of FerrAus to provide those shareholders with a registered address in Australia or New Zealand a priority entitlement to participate in the IPO of Lawson Gold.

Allocations under the priority offer will be at the discretion of the directors of Lawson Gold, with strong consideration to be given to shareholders' pro-rata holding in FerrAus as at the record date. The record date for determining priority entitlements will be advised to the market at a later date.

\*\*\* ENDS \*\*\*

Investor / Media Contact: Gareth Widger Mobile: +61 (0)4 1991 8272

#### FerrAus Limited

**Directors:** John Nyvlt Chairman  
Mike Amundsen Managing Director and Chief Executive Officer  
Joe Singer Non-Executive Director  
Guoping Liu Non-Executive Director  
Jim Wall Non-Executive Director  
Rob Greenslade Non-Executive Director

**Issued Ordinary Shares:** 177,647,198  
Performance Shares (Class B): 7,500,000  
Options 7,525,000  
192,672,198

**Market Capitalisation: A\$186 million**  
(Share Price: A\$1.05 as at 16 March 2010)

**Total Iron Ore Resource = 276.9 Million Tonnes**

**Cash: A\$22.8 million** (as at 31 December 2009)